

31A-23a-802 Required contract provisions -- Reinsurance intermediary-broker.

Transactions between a reinsurance intermediary-broker and the insurer it represents in that capacity may only be entered into pursuant to a written authorization, which specifies the responsibilities of each party. The authorization shall, at a minimum, provide that the reinsurance intermediary-broker:

- (1) may have his authority terminated by the insurer at any time;
- (2) will render accounts to the insurer accurately detailing all material transactions, including information necessary to support all commissions, charges and other fees received by, or owing to the reinsurance intermediary-broker, and that he will remit all funds due to the insurer within 30 days of receipt;
- (3) shall hold, in a fiduciary capacity, all funds collected for the insurer's account in a financial institution, which is a qualified United States financial institution;
- (4) will comply with Section 31A-23a-803;
- (5) will comply with the written standards established by the insurer for the cession or retrocession of all risks; and
- (6) will disclose to the insurer any relationship with any reinsurer to which business will be ceded or retroceded.

Renumbered and Amended by Chapter 298, 2003 General Session